

16-6a-1602. Inspection of records by directors and members.

(1) A director or member is entitled to inspect and copy any of the records of the nonprofit corporation described in Subsection 16-6a-1601(5):

- (a) during regular business hours;
- (b) at the nonprofit corporation's principal office; and
- (c) if the director or member gives the nonprofit corporation written demand, at least five business days before the date on which the member wishes to inspect and copy the records.

(2) In addition to the rights set forth in Subsection (1), a director or member is entitled to inspect and copy any of the other records of the nonprofit corporation:

- (a) during regular business hours;
- (b) at a reasonable location specified by the nonprofit corporation; and
- (c) at least five business days before the date on which the member wishes to inspect and copy the records, if the director or member:

- (i) meets the requirements of Subsection (3); and
- (ii) gives the nonprofit corporation written demand.

(3) A director or member may inspect and copy the records described in Subsection (2) only if:

- (a) the demand is made:
 - (i) in good faith; and
 - (ii) for a proper purpose;
- (b) the director or member describes with reasonable particularity the purpose and the records the director or member desires to inspect; and
- (c) the records are directly connected with the described purpose.

(4) Notwithstanding Section 16-6a-102, for purposes of this section:

- (a) "member" includes:
 - (i) a beneficial owner whose membership interest is held in a voting trust; and
 - (ii) any other beneficial owner of a membership interest who establishes beneficial ownership; and
- (b) "proper purpose" means a purpose reasonably related to the demanding member's or director's interest as a member or director.

(5) The right of inspection granted by this section may not be abolished or limited by the articles of incorporation or bylaws.

(6) This section does not affect:

- (a) the right of a director or member to inspect records under Section 16-6a-710;
- (b) the right of a member to inspect records to the same extent as any other litigant if the member is in litigation with the nonprofit corporation; or
- (c) the power of a court, independent of this chapter, to compel the production of corporate records for examination.

(7) A director or member may not use any information obtained through the inspection or copying of records permitted by Subsection (2) for any purposes other than those set forth in a demand made under Subsection (3).

Enacted by Chapter 300, 2000 General Session